

---

*1999  
HCFA  
Statistics*

80145  
23697



**U.S. Department of  
Health and Human Services**  
Donna Shalala, Secretary

**Health Care Financing Administration**  
Nancy-Ann Min DeParle, Administrator  
Michael Hash, Deputy Administrator

**Office of Strategic Planning**  
Thomas M. Kickham, Acting Director  
Tim Love, Acting Deputy Director

**Systems, Technical and Analytical  
Resources Group**  
William D. Saunders, J.D., Director  
David Gibson, Deputy Director

**Publication Coordinator**  
George D. Lintzeris

Press inquiries should be directed to the  
HCFA Press Office, (202) 690-6145.

Data inquiries for Medicare and national health expenditure statistics should be directed to the Division of Health Care Information Services, (410) 786-3689, and for Medicaid statistics to (410) 786-0165.

## *Preface*

---

This reference booklet provides significant summary information about health expenditures and Health Care Financing Administration (HCFA) programs. The information presented was the most current available at the time of publication. Significant time lags may occur between the end of a data year and aggregation of data for that year.

The data are organized as follows:

	<b>Page</b>
<b>Highlights - Growth in HCFA Programs and Health Expenditures</b>	<b>1</b>
<b>I. Populations</b>	<b>5</b>
<b>II. Providers/Suppliers</b>	<b>14</b>
<b>III. Expenditures</b>	<b>21</b>
<b>IV. Utilization</b>	<b>29</b>
<b>V. Administrative/Operating</b>	<b>37</b>
<b>Reference</b>	<b>42</b>

# Highlights

---

## Growth in HCFA programs and health expenditures

### Populations

- Persons enrolled for Medicare coverage increased from 19.5 million in 1967 to a projected 39.5 million in 1999, a 103 percent increase.
- The average monthly number of Medicaid enrollees in 1999 (person-years) is estimated to be just under 33 million, the greater majority of whom are dependant children (49 percent).
- At any point of time, about 12 percent of the population is enrolled in the Medicaid program.
- Medicare enrollees with end-stage renal disease increased from just under 67 thousand in 1980 to nearly 250 thousand in 1998, an increase of 275 percent.
- Medicare State buy-ins have grown from about 2.8 million recipients in 1975 to over 5.1 million recipients in 1998, an increase of over 80 percent.
- The number of dually entitled persons (that is, persons covered by both Medicare and Medicaid) amounted to about 6 million persons for 1998.

## **Providers/Suppliers**

- The number of inpatient hospital facilities decreased from 6,707 in December 1975 to 6,116 in December 1998. Total inpatient hospital beds have dropped from 51.5 beds per 1,000 enrolled in 1975 to 26.3 in 1998, a decrease of nearly 49 percent.
- The total number of Medicare certified beds in short-stay hospitals showed a steady increase from less than 800,000 at the beginning of the program and peaked at 1,025,000 in 1984-86. Since that time, the number has dropped to less than 891,000.
- The number of psychiatric hospitals grew to about 400 by 1976, where it remained until the start of the prospective payment system (PPS) in 1983. After PPS, the number increased to over 700 in the early 1990's and has since dropped to about 600.
- The number of skilled nursing facilities (SNFs) increased rapidly during the 1960s, decreased during the first half of the 1970s, and has been increasing ever since, reaching 15,032 by the beginning of 1999, an increase of 1.6 percent since 1998.
- After peaking in December 1970, the number of home health agencies (HHAs) remained stable during most of the decade. The number of HHAs accelerated with the passage of the Omnibus Budget Reconciliation Act of 1980, which permitted the certification of proprietary HHAs in States not having licensure laws. By December 1986, there were almost 6,000 participating facilities. The Balanced Budget Amendment of 1997 has impacted significantly

on the number of participating HHAs. Between 1998 and 1999, the number of HHAs has decreased from 10,807 to 9,330, a decrease of 13.7 percent.

## **Expenditures**

- National health expenditures were \$1.149 trillion in 1998, 13.5 percent of the gross domestic product. By 1998, total HCFA program outlays were \$294.1 billion, 17.8 percent of the Federal budget.
- Medicare skilled nursing facility benefit payments have increased from \$12.3 billion in 1997 to \$13.4 billion in 1998, an increase of 8.9 percent.
- Medicare home health agency benefit payments have decreased from \$17.8 billion in FY 1997 to \$14.8 billion in FY 1998, a decrease of 16.6 percent.
- National health expenditures per person were \$202 in 1965 and consistently grew steadily to reach \$4,094 by 1998.

## **Utilization of Medicare and Medicaid services**

- Between 1990 and 1998, the number of short-stay hospital discharges increased from 10.5 million to 11.8 million, an increase of nearly 12.4 percent.
- The short-stay hospital average length of stay decreased significantly from 9.0 days in 1990 to 6.2 days in 1998, a decrease of nearly 31 percent. Like-wise, the average length of stay for excluded units decreased significantly from 19.5 days in 1990 to

12.9 days in 1998, a decrease of almost 34 percent.

- Nearly 30 million persons received services under Medicare during 1997. Comparably, almost 35 million persons used Medicaid services in 1997.
- Almost 6.9 million persons received reimbursable fee-for-service inpatient hospital services under Medicare in 1997. The ratio of Medicare aged users of any type of covered service has grown from 367 per 1,000 enrolled in 1967 to 917 per 1,000 enrolled in 1997.
- Nearly 30 million persons received reimbursable fee-for-service physician services under Medicare during 1997. Over 21 million persons received reimbursable physician services under Medicaid during 1997.
- Over 20 million persons received reimbursable fee-for-service outpatient hospital services under Medicare during 1997. During 1997, almost 14 million persons received Medicaid reimbursable outpatient hospital services.
- Over 1.5 million persons received care in SNFs covered by Medicare during 1997. Over 1.6 million persons received care in nursing facilities, which include SNFs and all other intermediate care facilities other than mentally retarded, covered by Medicaid during 1997.
- Almost 21 million persons received prescribed drugs under Medicaid during 1997.

**Information about persons covered  
by Medicare or Medicaid**

For Medicare, statistics are based on persons enrolled for coverage. Historically, for Medicaid, recipient counts were used as a surrogate of persons eligible for coverage, as well as for persons utilizing services. Current data systems now allow the reporting of total enrollees. Statistics are available by major program categories, by demographic and geographic variables, and as proportions of the U.S. population. Utilization data organized by persons served may be found in the Utilization section.

**Table 1**  
**Medicare enrollment/trends**

	Total persons	Aged persons	Disabled persons
July		In millions	
1966	19.1	19.1	--
1970	20.5	20.5	--
1975	24.9	22.7	2.2
1980	28.4	25.5	3.0
1985	31.1	28.1	2.9
1990	34.3	31.0	3.3
1995	37.6	33.2	4.4
1997	38.4	33.6	4.8
1998	38.8	33.8	5.0
1999 <sup>1</sup>	39.5	34.1	5.3
2000 <sup>1</sup>	39.9	34.4	5.5
2001 <sup>1</sup>	40.3	34.6	5.7

<sup>1</sup> Data for 1966-1998 are as of July. Data for 1999-2001 represent ever enrolled estimates.

NOTE: Numbers may not add to totals because of rounding.

SOURCES: Health Care Financing Administration, Office of Information Services.

**Table 2**  
**Medicare enrollment/coverage**

	HI and/or SMI	HI	SMI	HI and SMI	HI only	SMI only
				In millions		
All persons	38.8	38.4	36.8	36.4	2.0	0.4
Aged persons	33.8	33.4	32.3	31.9	1.5	0.4
Disabled persons	5.0	5.0	4.5	4.5	0.5	( <sup>1</sup> )

<sup>1</sup> Number less than 500.

NOTE: Data as of July 1, 1998.

SOURCE: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution.

**Table 3**  
**Medicare enrollment/demographics**

	Total	Male	Female
		In thousands	
All persons	38,787	16,670	22,116
Aged	33,732	13,779	19,953
65-74 years	17,735	7,979	9,756
75-84 years	11,823	4,625	7,197
85 years and over	4,174	1,175	2,999
Disabled	5,055	2,891	2,164
Under 45 years	1,631	970	661
45-54 years	1,470	843	627
55-64 years	1,954	1,079	875
White	32,857	14,098	18,759
Black	3,540	1,498	2,042
All Other	2,179	991	1,188
Native American	55	27	28
Asian/Pacific	396	176	221
Hispanic	835	398	436
Other	893	390	502
Unknown Race	210	83	127

NOTES: Data as of December 31, 1998. Numbers may not add to totals because of rounding.

SOURCE: Health Care Financing Administration, Office of Information Services.

**Table 4**  
**Medicare enrollment/end stage renal disease trends**

	HI and/or SMI	HI	SMI
		in thousands	
Year			
1980	66.7	66.3	64.9
1990	172.0	170.6	163.7
1993	225.9	224.3	214.7
1994	234.8	233.1	224.7
1995	257.0	255.0	245.1
1996	224.6	224.5	214.0
1997	233.7	233.7	221.4
1998	249.8	249.8	236.0

NOTE: Data as of July 1.

SOURCE: Health Care Financing Administration, Office of Information Services.

**Table 5**  
**Medicare enrollment/end stage renal disease demographics**

	Number of enrollees (in thousands)
All persons	249.8
Age	
Under 25 years	7.8
25-44 years	48.4
45-64 years	93.7
65 years and over	99.9
Sex	
Male	133.8
Female	116.0
Race	
White	129.7
Other	101.6
Unknown	18.6

NOTE: Data as of July 1, 1998.

SOURCE: Health Care Financing Administration, Office of Information Services.

**Table 6**  
**Medicare/managed care**

	Number of Plans	Enrollees (in thousands)
Total prepaid	393	6,863
Medicare + Choice Programs	303	6,193
TEFRA Cost	38	359
Demonstrations	37	186
HCPPs Part B	15	126
Percent of total Medicare beneficiaries		17.7

<sup>1</sup> Health care prepayment plans/group practice prepayment plans.

NOTES: Data as of June 1999. Medicare beneficiary enrollment as of July 1, 1998. Numbers may not add to totals because of rounding.

SOURCE: Health Care Financing Administration, Center for Health Plans and Providers.

**Table 7**  
**Medicare enrollment/HCFR region**

	Resident <sup>1</sup> population	Medicare <sup>2</sup> enrollees	Enrollees as percent of population
In thousands			
All regions	270,299	37,998	14.1
Boston	13,429	2,094	15.6
New York	26,290	3,855	14.7
Philadelphia	27,005	4,100	15.2
Atlanta	50,411	7,784	15.4
Chicago	48,919	6,954	14.2
Dallas	31,751	3,951	12.4
Kansas City	12,593	1,968	15.6
Denver	8,808	1,068	12.1
San Francisco	40,276	4,816	12.0
Seattle	10,814	1,396	12.9

<sup>1</sup> Estimated July 1, 1998 resident population.

<sup>2</sup> Medicare enrollment data are as of July 1, 1998.

NOTES: Resident population is a provisional estimate. The 1998 resident population data for Outlying Areas, Puerto Rico, and the Virgin Islands are not available.

SOURCES: Health Care Financing Administration, Office of Information Services U.S. Bureau of the Census, Population Division, Population Estimates Branch.

**Table 8**  
**Aged population/projected**

	1998	2000	2025	2050	2075	2100
In millions						
65 years and over	34.9	35.3	60.6	75.2	85.8	93.1
75 years and over	16.1	16.7	24.9	39.7	46.9	52.5
85 years and over	4.2	4.3	6.3	14.6	17.0	20.5

SOURCE: Social Security Administration, Office of Programs

**Table 9**  
**Life expectancy at age 65/trends**

Year	Male	In years	Female
1965	12.9		16.3
1980	14.0		18.4
1985	14.4		18.6
1990	15.0		19.0
1995	15.3		19.0
1998	15.7		19.2
1999 1	15.7		19.3
2000 1	15.8		19.3
2005 1	16.1		19.4
2010 1	16.3		19.5
2015 1	16.5		19.7
2020 1	16.7		19.9
2025 1	16.9		20.1
2030 1	17.1		20.4

<sup>1</sup> Estimated.

SOURCE: Social Security Administration, Office of Programs.

**Table 10**  
**Life Expectancy at Birth and at Age 65 by Race/trends**

Calendar Year	All Races	White	Black
		<u>At Birth</u>	
1950	68.2	69.1	60.7
1980	73.7	74.4	68.1
1985	74.7	75.3	69.3
1990	75.4	76.1	69.1
1995	75.8	76.5	69.6
1997	76.5	77.1	71.1
		<u>At Age 65</u>	
1950	13.9	NA	13.9
1980	16.4	16.5	15.1
1985	16.7	16.8	15.2
1990	17.2	17.3	15.4
1995	17.4	17.6	15.6
1997	17.7	17.8	16.1

SOURCE: Public Health Service, Health United States, 1999.

**Table 11a**  
**Medicaid recipients/trends**

	Fiscal year					
	1975	1980	1985	1990	1995	1996
	In millions					
Total	22.0	21.6	21.8	25.3	36.3	36.1
Age 65 years and over	3.6	3.4	3.1	3.2	4.2	4.3
Blind/Disabled	2.5	2.9	3.0	3.7	6.0	6.2
Dependent children under 21 years of age	9.6	9.3	9.8	11.2	17.6	16.7
Adults in families with dependent children	4.5	4.9	5.5	6.0	7.8	7.1
Other Title XIX/unk.	1.8	1.5	1.2	1.0	0.6	1.7

NOTES: Prior to 1991, recipient categories do not add to total because recipients could be reported in more than one category. Data for fiscal years 1975-1996 are historical data as reported by States.

SOURCES: Health Care Financing Administration, Office of Information Services and the Office of Strategic Planning.

**Table 11b**  
**Medicaid recipients/State buy-ins for Medicare**

	1975 <sup>1</sup>	1980	1997	1998 <sup>2</sup>
Type of Beneficiary <sup>1</sup>	In thousands			
All buy-ins	2,846	2,954	5,089	5,109
Aged	2,483	2,449	3,445	3,459
Disabled	363	504	1,644	1,650
	Percent of SMI enrollees			
All buy-ins	12.0	10.9	14.1	14.1
Aged	11.4	10.0	10.8	10.7
Disabled	18.7	18.9	39.0	36.9

<sup>1</sup> Beneficiaries in person-years for whom the State paid the SMI premium during the year. Percent calculated using July enrollment.

<sup>2</sup> Estimated.

NOTE: Numbers may not add to totals because of rounding.

SOURCE: Health Care Financing Administration, Office of Information Services.

**Table 12**  
**Medicaid enrollees/demographics**

	Fiscal year 1998 Medicaid enrollees	Percent distribution
	In millions	
Total recipients	41.4	100.0
Age	41.4	100.0
Under 21	22.3	51.8
21-64 years	12.8	31.5
65 years and over	4.7	13.6
Unknown	1.5	3.0
Sex	41.4	100.0
Male	16.1	37.5
Female	23.8	59.4
Unknown	1.5	3.1
Race	41.4	100.0
White	17.8	46.1
Black	10.7	24.4
American Indian/Alaska Native	0.5	1.2
Asian/Pacific Islander	1.0	2.0
Hispanic	6.9	14.8
Unknown	4.4	11.6

NOTE: Represents unduplicated number of enrollees during the fiscal year. Numbers may not add to totals because of rounding. The percent distribution is based on rounded numbers. Totals do not necessarily equal the sum of rounded components.

SOURCE: Health Care Financing Administration, Center for Medicaid and State Operations.

**Table 13**  
**Medicaid average enrollment/HCFA region**

	Resident <sup>1</sup> population	Average Medicaid <sup>2</sup> enrollment	Enrollment as percent of population
In thousands			
All regions	270,299	31,683	11.7
Boston	13,429	1,657	12.3
New York	26,290	3,532	13.4
Philadelphia	27,005	2,898	10.7
Atlanta	50,411	6,568	13.0
Chicago	48,919	4,935	10.1
Dallas	31,751	3,407	10.7
Kansas City	12,593	1,206	9.6
Denver	8,808	591	6.7
San Francisco	40,276	5,649	14.0
Seattle	10,814	1,239	11.5

<sup>1</sup> Estimated July 1, 1998 population.

<sup>2</sup> Medicaid enrollment data are for fiscal year 1998 and represent the estimated average monthly enrollment for the year.

NOTES: Numbers may not add to totals because of rounding. Resident population is a provisional estimate. Excludes data for Puerto Rico, Virgin Islands and Outlying Areas.

SOURCES: Health Care Financing Administration, Center for Medicaid and State Operations. U.S. Department of Commerce, Bureau of the Census.

**Table 14**  
**Medicaid enrollees/trends**

	1997	1998	1999	2000
	Avg.	Avg.	Avg	Avg.
In millions				
Total	33.0	32.5	32.9	33.4
Age 65 years and over	4.1	3.7	3.8	3.8
Blind/Disabled	6.1	6.4	6.5	6.7
Dependent children under 21 years of age	16.4	16.0	16.1	16.4
Adults in families with dependent children	6.4	6.4	6.4	6.5

NOTE: Data for fiscal years 1997 and 1998 are historical data as reported by the States. Projections for fiscal years 1999 and 2000 were prepared by the Office of the Actuary from the President's FY 2000 Budget.

## *Providers/Suppliers*

---

**Information about institutions, agencies, or professionals who provide health care services and individuals or organizations who furnish health care equipment or supplies**

These data are distributed by major provider/supplier categories, by geographic region, and by type of program participation. Utilization data organized by type of provider/supplier may be found in the Utilization section.

**Table 15**  
**Inpatient hospitals/trends**

	1975	1980	1997	1998
Total hospitals	6,707	6,777	6,293	6,116
Beds in thousands	1,132	1,150	1,037	1,012
Beds per 1,000 enrollees <sup>1</sup>	51.5	46.7	27.0	26.3
Short-stay	6,084	6,104	5,165	5,038
Beds in thousands	884	991	910	891
Beds per 1,000 enrollees <sup>1</sup>	40.2	40.2	23.9	23.2
Psychiatric	358	408	654	602
Beds in thousands	207	131	83	78
Beds per 1,000 enrollees <sup>1</sup>	9.4	5.3	2.2	2.0
Other long-stay	265	265	474	476
Beds in thousands	42	28	45	44
Beds per 1,000 enrollees <sup>1</sup>	1.9	1.1	1.2	1.1

<sup>1</sup> Based on number of aged HI enrollees.

NOTES: Facility data as of July 1, except 1998 data which are as of December 1998. Facilities certified for Medicare are deemed to meet Medicaid standards.

SOURCES: Health Care Financing Administration, Office of Information Services and the Office of Strategic Planning.

**Table 16**  
**Medicare assigned claims/HCFR region**

	Net assignment rates		
	1980	1997	1998
All regions	51.5	96.7	97.3
Boston	67.4	98.6	98.3
New York	51.8	96.9	97.7
Philadelphia	61.6	97.1	97.8
Atlanta	52.3	97.1	97.3
Chicago	47.6	96.9	97.3
Dallas	50.3	96.5	97.2
Kansas City	40.4	95.7	96.7
Denver	39.5	94.7	96.0
San Francisco	53.2	97.4	98.4
Seattle	31.3	90.7	88.6

NOTE: Calendar year data.

SOURCE: Health Care Financing Administration, Office of Financial Management.

**Table 17**  
**Medicare Hospital Status**

Total hospitals	6,166
Hospitals under PPS <sup>1</sup>	4,975
Hospitals receiving special consideration	1,372
Regional referral centers	231
Sole community hospitals	785
Medicare dependent hospitals	356
Non-PPS hospitals	1,191
Categorically exempt:	1,126
Psychiatric	601
Rehabilitation	198
Christian science	20
Childrens	71
Critical Access	17
Alcohol/Drug	9
Other long-term	210
Short-stay hospitals in waiver State (Maryland)	50
Cancer hospitals	9
Total excluded units	2,411
Psychiatric	1,510
Rehabilitation	901

<sup>1</sup> Total number of hospitals subject to PPS regardless of actual submitted inpatient hospital claims during the fiscal year.

NOTE: Data as of January.

SOURCES: Health Care Financing Administration, Office of Information Services; Center for Health Plans and Providers; and the Office of Clinical Standards and Quality.

**Table 18**  
**Long-term facilities/HCFA region**

	Title XVIII and XVIII/XIX SNFs <sup>1</sup>	Nursing Facilities	IMRs <sup>2</sup>
All regions <sup>3</sup>	15,032	2,289	7,250
Boston	1,115	241	183
New York	1,010	11	887
Philadelphia	1,418	143	458
Atlanta	2,597	189	739
Chicago	3,205	578	2,123
Dallas	1,804	596	1,490
Kansas City	1,209	472	189
Denver	599	71	95
San Francisco	1,562	118	1,002
Seattle	504	42	84

<sup>1</sup> Skilled nursing facilities.

<sup>2</sup> Institutions for mentally retarded.

<sup>3</sup> All regions totals includes U.S. Possessions and Territories

NOTE: Data as of December 1998.

SOURCE: Health Care Financing Administration, Center for Health Plans and providers.

**Table 19**  
**Other Medicare providers and suppliers/trends**

	1975	1980	1997	1998
Home health agencies	2,242	2,924	10,807	9,330
Clinical Lab Improvement Act Facilities	-	-	164,054	166,817
End stage renal disease facilities	-	999	3,367	3,531
Outpatient physical therapy	117	419	2,758	2,890
Portable X-ray	132	216	656	657
Rural health clinics	-	391	3,673	3,551
Comprehensive outpatient rehabilitation facilities	-	-	531	590
Ambulatory surgical centers	-	-	2,480	2,644
Hospices	-	-	2,344	2,317

NOTES: Facility data for selected years 1975-1980 are as of July 1. Facility data for 1997 and 1998 are as of December.

SOURCE: Health Care Financing Administration, Center for Health Plans and Providers.

**Table 20**  
**Selected facilities/type of control**

	Short-stay hospitals	Skilled nursing facilities	Home health agencies
Total facilities	5,038	15,032	9,330
	Percent of total		
Non-profit	58.3	28.6	31.3
Proprietary	13.2	65.9	54.4
Government	28.4	5.4	14.3

NOTES: Data as of December 1998. Facilities certified for Medicare are deemed to meet Medicaid standards. Percent distribution may not add to 100 percent due to rounding.

SOURCES: Health Care Financing Administration, Office of Strategic Planning and the Office of Information Services.

**Table 21**  
**Periodic interim payment (PIP) facilities/trends**

	1980	1985	1996	1997	1998
<b>Hospitals</b>					
Number of PIP	2,276	3,242	1,134	1,029	1,024
Percent of total participating	33.8	48.3	18.0	16.4	16.7
<b>Skilled nursing facilities</b>					
Number of PIP	203	224	1,354	1,388	1,396
Percent of total participating	3.9	3.4	9.6	9.3	9.3
<b>Home health agencies</b>					
Number of PIP	481	931	1,515	1,366	1,284
Percent of total participating	16.0	16.0	15.6	12.6	13.8

NOTES: Data from 1985 to date are as of September; 1980 data are as of December. These are facilities receiving periodic interim payments (PIP) under Medicare. Effective for claims received on or after July 1, 1987, the Omnibus Budget Reconciliation Act of 1986 eliminates PIP for many PPS hospitals when the servicing intermediary meets specified processing time standards.

SOURCE: Health Care Financing Administration, Office of Financial Management.

**Table 22**  
**Physicians active in patient care/selected years**

	1998		1999	
	Number	Percent	Number	Percent
Active in Patient Care	767,058	100.0	830,371	100.0
Medical Specialties	157,279	20.5	162,040	19.5
Surgical Specialties	157,679	20.6	159,787	19.2
Other Specialties	82,150	10.7	84,398	10.2
Family and General Pract .	98,903	12.9	100,317	12.1
Emergency Medicine	21,497	2.8	22,772	2.7
Pediatrics	29,098	3.8	29,947	3.6
Non-physician specialties	220,452	28.7	271,110	32.6

NOTES: Includes physicians, doctors of osteopathy, and limited licensed practitioners. Totals do not necessarily equal the sum of rounded components.

SOURCES: Health Care Financing Administration. Office of Information Services and the Office of Strategic Planning.

**Table 23**  
**Physicians/HCFA region**

	Physicians active in patient care	Physicians per 100,000 population
All regions <sup>1</sup>	830,371	307
Boston	55,558	414
New York	107,965	411
Philadelphia	101,043	364
Atlanta	128,122	254
Chicago	142,521	296
Dallas	83,575	263
Kansas City	36,155	287
Denver	26,558	302
San Francisco	117,695	292
Seattle	31,181	288

<sup>1</sup> Non-Federal physicians only. Includes physicians, doctors of osteopathy, and limited licensed practitioners. Excludes physicians in foreign countries.

NOTES: Physicians as of September 1999. Civilian population as of July 1, 1998.

SOURCES: Health Care Financing Unique Physician Identification Number Directory.

**Table 24**  
**Inpatient hospitals/HCFA region**

	Short-stay hospitals	Beds per 1,000 enrollees	Long-stay facilities	Beds per 1,000 enrollees
All regions	5,038	23.2	1,078	3.2
Boston	201	16.7	80	5.3
New York	359	24.9	78	4.9
Philadelphia	404	21.1	126	4.3
Atlanta	978	23.7	196	2.6
Chicago	890	26.1	160	2.5
Dallas	740	25.0	216	3.9
Kansas City	441	28.2	55	2.5
Denver	284	23.4	39	3.5
San Francisco	531	20.5	108	1.7
Seattle	210	17.8	20	2.0

NOTES: Data as of December 1998. Rates based on number of hospital insurance enrollees as of July 1, 1998.

SOURCE: Health Care Financing Administration, Office of Information Services.

**Information about spending for health care services by Medicare, Medicaid, and in the Nation as a whole**

Health care spending at the aggregate levels is distributed by source of funds, types of service, geographic area, and broad beneficiary or eligibility categories. Direct out-of-pocket, other private, and non-HCFA-related expenditures are also covered in this section. Expenditures on a per-unit-of-service level are covered in the Utilization section.

**Table 25**  
**HCFA and total Federal disbursements**

	Fiscal year 1998 \$ in billions
Gross domestic product (current dollars)	\$8,404.3
Total Federal budget <sup>1</sup>	1652.6
Percent of gross domestic product	19.7
Department of Health and Human Services <sup>2</sup>	350.6
Percent of Federal budget	21.2
HCFA budget	
Medicare benefit payments	210.1
Medicaid medical assistance payments	96.4
HCFA program management	1.7
Medicaid State and local administration	4.8
Other Medicare administrative expenses	1.0
Peer review organizations	0.2
Health care fraud and abuse control	0.6
Total outlays (unadjusted)	314.9
Offsetting and proprietary receipts	-20.7
Total net of offsetting and proprietary receipts	294.1
Percent of Federal budget	17.8

<sup>1</sup> Net of offsetting receipts.

NOTE: Numbers may not add to totals because of rounding.

SOURCE: Health Care Financing Administration, Office of Financial Management.

**Table 26**  
**Program expenditures/trends**

Fiscal year	Total	Medicare <sup>1</sup> In billions	Medicaid <sup>2</sup>
1980	\$60.8	\$35.0	\$25.8
1990	182.2	109.7	72.5
1998	391.7	213.6	178.1
1999 <sup>3</sup>	402.7	212.0	190.7

<sup>1</sup> Medicare amounts are gross outlays for benefits and administration.

<sup>2</sup> Medicaid amounts include both the Federal and State share of benefit payments, including vaccines for children, and administrative costs.

<sup>3</sup> Reflects data from the September 1999 Monthly Treasury Statement. The FY 1999 Medicaid amount is estimated.

SOURCE: Health Care Financing Administration, Office of Financial Management.

**Table 27**  
**Benefit outlays by program**

	1967	1968	1998	1999 <sup>1</sup>
<u>Annually</u>	Amounts in billions			
HCFA program outlays	\$5.1	\$8.4	\$379	\$389
Federal outlays	NA	6.7	306	311
Medicare	3.2	5.1	210	208
HI	2.5	3.7	134	129
SMI	0.7	1.4	76	79
Medicaid <sup>2,3</sup>	1.9	3.3	169	181
Federal share	NA	1.6	96	103
<u>Monthly</u>	In millions		In billions	
HCFA program outlays	\$423	\$702	\$31	\$32
Federal outlays	NA	561	26	26
Medicare	264	427	17	17
HI	209	311	11	11
SMI	55	116	6	7
Medicaid <sup>2,3</sup>	158	275	13	15
Federal share	NA	133	8	9
<u>Hourly</u>	In thousands		In millions	
HCFA program outlays	\$579	\$962	\$42	\$44
Federal outlays	NA	768	34	36
Medicare	362	585	24	24
HI	286	426	16	15
SMI	76	159	8	9
Medicaid <sup>2,3</sup>	217	377	18	21
Federal share	NA	183	11	12
<u>By Minute</u>	In thousands			
HCFA program outlays	\$10	\$16	\$701	\$740
Federal outlays	NA	13	568	592
Medicare	6	10	394	408
HI	5	7	259	250
SMI	1	3	135	158
Medicaid <sup>2,3</sup>	4	6	307	344
Federal share	NA	3	174	196

<sup>1</sup> Estimated. <sup>2</sup>These amounts reflect both Federal and State Medicaid benefit outlays. State Medicaid administrative costs are excluded. Expenditures for the vaccine for children's program are included.

<sup>3</sup> Excludes Title XXI outlays for the Children's Health Insurance Program.

NOTES: Fiscal year data. Numbers may not add to totals because of rounding.

SOURCE: Health Care Financing Administration, Office of Financial Management.

**Table 28**  
**Program benefit payments/HCFAs region**

	Medicare	Medicaid	
		Total payments computable for Federal funding	Net expenditures reported Federal share <sup>1</sup>
In millions			
All regions	\$210,102	\$169,014	\$95,593
Boston	17,518	11,505	6,013
New York	25,058	32,991	16,542
Philadelphia	23,337	16,067	8,812
Atlanta	43,451	27,249	17,419
Chicago	35,364	27,257	15,005
Dallas	24,090	16,708	11,051
Kansas City	9,394	6,569	4,025
Denver	4,904	3,556	2,216
San Francisco	27,341	21,312	11,197
Seattle	5,475	5,799	3,313

<sup>1</sup> Excludes HCFA adjustments.

NOTES: Data as of fiscal year 1998 and are considered preliminary. Source Form HCFA-64 -- Line 11, Net Expenditures Reported. Medical assistance only. Territories are at capped levels.

SOURCES: Health Care Financing Administration, Office of Information Services; Office of Financial Management; and the Center for Medicaid and State Operations.

**Table 29**  
**Medicare/trust fund projections**

	Fiscal year		
	1997	1998	1999
In billions			
HI benefit payments <sup>1</sup>	\$136.0	\$134.3	\$129.1
Aged	120.0	118.5	113.0
Disabled	16.0	15.8	16.1
SMI benefit payments	71.1	75.8	79.2
Aged	60.3	64.5	68.2
Disabled	10.8	11.3	11.0

SOURCE: Health Care Financing Administration, Office of Financial Management.

**Table 30**  
**Medicare/type of benefit**

	Fiscal year 1998 benefit payments in millions <sup>1</sup>	Percent distribution
Total HI <sup>2</sup>	\$134,320	\$100.0
Inpatient hospital	86,563	64.4
Skilled nursing facility	13,381	10.0
Home health agency	14,490	10.8
Hospice	2,080	1.6
Managed care	17,807	13.2
Total SMI	75,782	100.0
Physician/other suppliers	40,062	52.9
Outpatient/Other Providers	14,853	19.6
Home health agency	273	0.4
Laboratory	6,462	8.5
Managed Care	14,132	18.6

<sup>1</sup> Includes the effect of regulatory items and recent legislation but not proposed law. <sup>2</sup> Excludes peer review organization expenditures.

NOTES: Based on midsession review. Distribution of home health benefits between Trust Funds reflects original reporting by Treasury. Benefits by type of service are estimated and subject to change. Numbers may not add to totals because of rounding.

SOURCE: Health Care Financing Administration, Budget and Analysis Group.

**Table 31**  
**National health care/trends**

	Calendar year			
	1965	1980	1997	1998
National total in billions	\$41.1	\$247.3	\$1,088.2	\$1,149.1
Percent of GDP	\$5.7	\$8.9	\$13.4	\$13.5
Per capita amount	\$202	\$1,052	\$3,912	\$4,094
Source of funds	Percent of total			
Private	75.0	57.6	53.8	54.5
Public	25.0	42.4	46.2	45.5
Federal	11.7	29.1	33.4	32.8
State/local	13.3	13.3	12.8	12.7

NOTES: These data reflect Bureau of Economic Analysis Gross Domestic Product as of October 1999, and the Social Security Administration's revisions to the population as of July 1999. Numbers may not add to totals because of rounding.

SOURCE: Health Care Financing Administration, Office of the Actuary.

**Table 32**  
**Medicaid/type of service**

	Fiscal year		
	1996	1997	1998
	In billions		
Total vendor payments	\$121.7	\$124.4	\$142.3
	Percent of total		
Inpatient services	22.4	20.2	17.3
General hospitals	20.7	18.6	15.3
Mental hospitals	1.7	1.6	2.0
Nursing facility services <sup>1</sup>	24.3	24.5	22.7
Intermediate care facility (MR) services <sup>2</sup>	7.9	7.9	6.7
Physician services	5.9	5.7	4.3
Dental services	0.8	0.8	0.6
Other practitioner services	0.9	0.8	0.4
Outpatient hospital services	5.3	5.0	4.1
Clinic services	3.5	3.4	2.8
Laboratory and radiological services	1.0	0.8	0.7
Home health services	8.9	9.8	1.9
Prescribed drugs	8.8	9.6	9.6
Family planning services	0.4	0.3	0.3
Early and periodic screening	1.2	1.3	1.0
Rural health clinic services	0.2	0.2	---
Other care	8.4	9.6	27.6

<sup>1</sup> Nursing facilities include: SNFs and all other categories for Intermediate Care Facilities (ICF), other than "MR". <sup>2</sup> "MR" indicates mentally retarded.

SOURCE: Health Care Financing Administration, Center for Medicaid and State Operations.

**Table 33**  
**Medicare savings attributable to secondary payor**  
**provisions/type of provision**

	Workers Comp.	Working Aged	ESRD	Auto	Disability	Total
1996	\$104.7	\$1,357.6	\$167.6	\$385.0	\$924.9	\$2,939.9
1997	111.5	1322.9	146.7	372.9	876.3	2888.0
1998	108.3	1667.3	143.1	247.1	1049.3	3391.6

NOTES: Fiscal year data. In millions of dollars. FY 1998 total includes liability amount of \$176.5 million. Total includes other amounts not broken out in detail.

SOURCE: Health Care Financing Administration, Office of Financial Management.

**Table 34**  
**Medicaid/payments by eligibility status**

	Fiscal year 1998 vendor payments <sup>1</sup>	Percent distribution
	In millions	
Total	\$142,318	100.0
Age 65 years and over	40,602	28.5
Blind/disabled	60,375	42.4
Dependent children under 21 years of age	20,459	14.4
Adults in families with dependent children	14,833	10.4
Other Title XIX	6,049	4.3

<sup>1</sup> Preliminary.

NOTE: Numbers may not add to totals due to the exclusion of unknowns and because of rounding.

SOURCE: Health Care Financing Administration, Center for Medicaid and State Operations.

**Table 35**  
**Medicare/durable medical equipment<sup>1</sup>**

Category	Allowed Charges	
	1997	1998
	In thousands	
Total	\$4,975,664	\$4,633,543
Surgical dressings	60,670	54,349
Supplies/accessories	52,516	64,635
Capped rental	1,027,536	1,102,261
Customized items	48,053	43,519
Oxygen	2,044,556	1,621,345
Prosthetics/orthotics	926,149	937,451
Inexpensive/routine	584,123	633,906
Items with frequent maintenance	133,844	168,102
Other	98,217	7,975

<sup>1</sup> Data are for calendar year.

<sup>2</sup> The allowed charge is the Medicare approved payment reported on a line item on the physician/supplier claim.

SOURCE: Health Care Financing Administration, Office of Information Services.

**Table 36**  
**National health care/type of expenditure**

	National total in billions	Per capita amount	Percent Paid		
			Total	Medicare	Medicaid
Total	\$1,149	\$4,094	33.6	18.8	14.8
Health services and supplies	1,113.7	3968	34.7	19.4	15.3
Personal health care	1,019.3	3632	36.2	20.6	15.6
Hospital care	382.8	1364	48.3	32.4	15.9
Physician services	229.5	818	28.0	21.5	6.5
Nursing home care	87.8	313	62.6	11.9	50.7
Other personal care	319.2	1137	21.9	8.4	13.5
Admin. and pub. health activities	94.4	337	29.7	10.6	19.1
Research and construction	35.3	126	--	--	--

NOTE: Data are as of calendar year 1998.

SOURCE: Health Care Financing Administration, Office of the Actuary.

**Table 37**  
**Personal health care/payment source**

	Calendar year			
	1970	1980	1997	1998
	In billions			
Total	\$63.8	\$217.0	\$968.6	\$1,019.3
	Percent			
Total	100.0	100.0	100.0	100.0
Private funds	64.7	59.9	55.5	56.4
Private health insurance	23.2	28.6	32.3	33.1
Out-of-pocket	39.0	27.8	19.5	19.6
Other private	2.6	3.6	3.7	3.7
Public funds	35.3	40.1	44.5	43.6
Federal	23.0	29.2	34.4	33.7
State and local	12.2	10.9	10.1	9.9

NOTES: Excludes administrative expenses, research, construction, and other types of spending that are not directed at patient care.

SOURCE: Health Care Financing Administration, Office of the Actuary.

### **Information about the use of health care services**

Utilization information is organized by persons receiving services and alternately by services rendered. Measures of health care usage include: persons served, units of service (e.g., discharges, days of care, etc.), and dimensions of the services rendered (e.g., average length of stay, charge per person or per unit of service). These utilization measures are aggregated by program coverage categories, provider characteristics, type of service, and demographic and geographic variables.

**Table 38**  
**Medicare/short-stay hospital utilization**

	1985	1990	1997	1998
Discharges				
Total in millions	10.5	10.5	11.9	11.8
Rate per 1,000 enrollees <sup>2</sup>	347	313	317	309
Days of care				
Total in millions	92	94	76	73
Rate per 1,000 enrollees <sup>2</sup>	3,016	2,805	2,014	1,907
Average length of stay				
All short-stay	8.7	9.0	6.4	6.2
Excluded units <sup>3</sup>	18.8	19.5	13.4	12.9
Total charges per day	\$597	\$1,060	\$2,167	\$2,330

<sup>1</sup> Data for fiscal year 1998 should be treated as preliminary.

<sup>2</sup> The population base is HI enrollment excluding HI enrollees residing in foreign countries.

<sup>3</sup> Includes alcohol/drug, psychiatric, and rehabilitation units through 1990, and psychiatric and rehabilitations 1997 through 1998.

SOURCE: Health Care Financing Administration, Office of Information Services.

**Table 39**  
**Medicare long-term care/trends**

Calendar year	Skilled nursing facilities		Home health agencies	
	Persons served in thousands	Served per 1,000 enrollees	Persons served in thousands	Served per 1,000 enrollees
1982	252	9	1,172	40
1985	315	10	1,576	51
1990	638	19	1,978	58
1992	779	22	2,504	71
1993	908	25	2,867	80
1994	1,068	29	3,176	86
1995	1,240	33	3,457	93
1996	1,384	37	3,627	95
1997	1,503	<sup>1</sup> 46	3,505	<sup>1</sup> 106

<sup>1</sup> Managed care enrollees excluded in determining rate.

SOURCE: Health Care Financing Administration, Office of Information Services.

**Table 40**  
**Medicare average length of stay/trends**

	Fiscal year					
	1984	1990	1995	1996	1997	<sup>1</sup> 1998
All short-stay hospitals	9.1	9.0	7.1	6.6	6.4	6.2
PPS hospitals	8.0	8.9	7.1	6.6	6.4	6.2
Excluded units	18.0	19.5	14.8	14.0	13.4	12.9

<sup>1</sup>Data as of 12/98 for fiscal year 1998 should be treated as preliminary.

NOTES: Fiscal year data. Average length of stay is shown in days. For all short-stay and PPS hospitals, 1984 data are based on a 20-percent sample of Medicare HI enrollees. Data for 1990 through 1998 are based on 100-percent MEDPAR. Data may differ from other sources or from the same source with a different update cycle.

SOURCE: Health Care Financing Administration, Office of Information Services.

**Table 41**  
**Medicare persons served/trends**

	Calendar year				
	1975	1980	1985	1996	1997
Aged persons served per 1,000 enrollees					
HI and/or SMI	528	638	722	816	917
HI	221	240	219	216	254
SMI	536	652	739	848	959
Disabled persons served per 1,000 enrollees					
HI and/or SMI	450	594	669	749	826
HI	219	246	228	208	218
SMI	471	634	715	828	925

NOTES: Prior to 1997, data were obtained from the Annual Person Summary Record. Beginning in 1997, utilization rates are based on persons receiving fee-for-service care and total persons not enrolled in prepaid health plans. For the period 1975-1996, users of hospice services were excluded.

SOURCE: Health Care Financing Administration, Office of Information Services and the Office of Strategic Planning.

**Table 42**  
**Medicare fee-for-service persons served/projections**

	Fiscal year				
	1998	1999	2000	2001	2002
	In millions				
HI					
Aged					
Enrollees	27.9	27.3	26.6	26.0	25.6
Persons served	6.7	6.4	6.4	6.5	6.6
Disabled					
Enrollees	4.8	4.9	5.1	5.2	5.4
Persons served	0.9	0.8	0.8	0.8	0.9
SMI					
Aged					
Enrollees	26.5	26.0	25.3	24.7	24.2
Persons served	23.5	23.3	22.8	22.4	22.1
Disabled					
Enrollees	4.0	4.0	4.0	4.1	4.2
Persons served	3.3	3.4	3.4	3.5	3.6

NOTES: Enrollment represents actuarial estimates of average monthly fee-for-service enrollment during the fiscal year. Persons served represents actuarial estimates of beneficiaries projected to meet the Part A or Part B deductible amount during the fiscal year.

SOURCE: Health Care Financing Administration, Office of the Actuary.

**Table 43**  
**Medicare persons served/HCFA region**

	Aged persons served in thousands	Served per 1,000 enrollees	Disabled persons served in thousands	Served per 1,000 enrollees
All regions <sup>1</sup>	26,130	917	3,716	826
Boston	1,475	930	198	820
New York	2,942	827	417	785
Philadelphia	2,861	932	371	841
Atlanta	5,480	936	915	865
Chicago	5,275	940	665	838
Dallas	2,714	905	413	832
Kansas City	1,526	943	183	860
Denver	732	940	96	799
San Francisco	2,269	895	347	776
Seattle	851	950	111	817

<sup>1</sup> Includes utilization for residents of foreign countries.

NOTES: Data as of calendar year 1997 for persons served under HI and/or SMI. Based on utilization for fee-for-service and excludes utilization under alternative payment systems such as health maintenance organizations. Numbers may not add to totals because of rounding.

SOURCE: Health Care Financing Administration, Office of Information Services.

**Table 44**  
**Medicare/end stage renal disease (ESRD)**

	Calendar year		
	1996	1997	1998
Total enrollees <sup>1</sup>	224,564	233,728	249,797
Dialysis patients <sup>2</sup>	214,103	230,190	245,710
Outpatient	181,533	198,968	216,310
Home	32,570	31,222	29,400
Transplants performed <sup>3</sup>	12,198	12,427	13,272
Living donor	3,084	3,210	3,453
Cadaveric donor	8,495	8,512	8,752
Living unrelated	619	705	1,067
Average dialysis payment rate			
Hospital-based facilities	\$130	\$130	\$130
Freestanding facilities	\$126	\$126	\$126

<sup>1</sup> Medicare ESRD enrollees as of July 1.

<sup>2</sup> Includes Medicare and non-Medicare patients receiving dialysis as of December 31.

<sup>3</sup> Includes kidney transplants for Medicare and non-Medicare patients.

SOURCES: Health Care Financing Administration, Office of Clinical Standards and Quality.

**Table 45**  
**Medicaid/type of service**

	Fiscal year 1998 Medicaid recipients
	In thousands
Total	40,649
Inpatient services	
General hospitals	4,273
Mental hospitals	135
Nursing facility services <sup>1</sup>	1,646
Intermediate care facility (MR) services <sup>2</sup>	126
Physician services	18,555
Dental services	4,965
Other practitioner services	4,342
Outpatient hospital services	12,158
Clinic services	5,285
Laboratory and radiological services	9,381
Home health services	1,225
Prescribed drugs	19,338
Family planning services	2,011
Early and periodic screening	6,175
Personal care support services	3,108
Home and community based waiver services	467
PCCM services	4,066
Prepaid health care	20,203
Other care	6,975

<sup>1</sup> Nursing facilities include: SNFs and all categories of ICF, other than "MR."

<sup>2</sup> "MR" indicates mentally retarded.

SOURCE: Health Care Financing Administration, Center for Medicaid and State Operations.

**Table 46**  
**Medicaid/units of service**

	Fiscal year 1998 units of service <sup>1</sup>
	In thousands
General hospital <sup>1</sup>	
Total discharges	3,971
Recipients discharged	2,793
Total days of care	19,091
Nursing facility <sup>2</sup>	
Total days of care	384,549
Intermediate care facility/mentally retarded <sup>3</sup>	
Total days of care	50,636

<sup>1</sup> Preliminary.

<sup>2</sup> Based on reporting States and the District of Columbia (Data are not reported for Nebraska, West Virginia and Puerto Rico).

<sup>3</sup> Based on reporting States and the District of Columbia (Data are not reported for Arizona, Nebraska, Oklahoma, Tennessee, West Virginia, Virgin Islands and Puerto Rico).

NOTE: Nursing facilities include: SNFs and all categories of ICF, other than MR.

SOURCE: Health Care Financing Administration, Center for Medicaid and State Operations.

## *Administrative/Operating*

---

### **Information on activities and services related to oversight of the day-to-day operations of HCFA programs**

Included are data on Medicare contractors, contractor activities and performance, HCFA and State agency administrative costs, quality control, and summaries of the operation of the Medicare trust funds.

**Table 47**  
**Medicare administrative expenses/trends**

	Administrative expenses	
	Amount in millions	As a percent of benefit payments
<b>HI Trust Fund</b>		
1967	\$89	3.5
1970	149	3.1
1975	259	2.5
1980	497	2.1
1985	813	1.7
1990	774	1.2
1996	1,229	1.0
1997	1,613	1.2
1998	1,653	1.2
<b>SMI Trust Fund</b>		
1967 <sup>1</sup>	135	20.3
1970	217	11.0
1975	405	10.8
1980	593	5.8
1985	922	4.2
1990	1,524	3.7
1996	1,771	2.6
1997	1,420	2.0
1998	1,435	1.9

<sup>1</sup> Includes expenses paid in fiscal years 1966 and 1967.

NOTE: Fiscal year data.

SOURCE: Health Care Financing Administration, Office of the Actuary.

**Table 48**  
**Medicare/contractors**

	Intermediaries	Carriers
Blue Cross/Blue Shield	36	18
Other	3	8

NOTE: Data as of January 1999.

SOURCE: Health Care Financing Administration, Office of Financial Management.

**Table 49**  
**Medicare/appeals**

	Intermediary reconsiderations	Carrier reviews
Number processed	58,765	3,101,201
Percent with increased payments <sup>1</sup>	32.1	68.2

<sup>1</sup> Excludes withdrawals and dismissals.

NOTE: Data for fiscal year 1998.

SOURCE: Health Care Financing Administration, Office of Financial Management.

**Table 50**  
**Medicare/claims processing bottom line unit costs**

	Unit cost per claim			
	1975	1980	1997	1998
Intermediaries <sup>1</sup>	\$3.84	\$2.96	\$1.20	\$0.92 <sup>3</sup>
Carriers <sup>2</sup>	2.90	2.33	\$0.96	\$0.91

<sup>1</sup> Includes direct costs and overhead costs for bill payment, reconsiderations, and hearings lines. <sup>2</sup> Includes direct costs and overhead costs for the claims payment, reviews and hearings, and beneficiary/physician inquiries lines. <sup>3</sup> Beginning in FY 1998, inquiries and PET activities are separated from other bill payment cost for intermediaries.

NOTE: Fiscal year data.

SOURCE: Health Care Financing Administration, Office of Financial Management.

**Table 51**  
**Medicare/claims processing**

	Intermediaries	Carriers
Claims processed in millions	149.0	710.8
Total PM costs in millions	\$295.8	\$895.1
Total MIP costs in millions	<sup>1</sup> \$315.5	\$229.1
Claims processing costs in millions	\$197.5	\$562.2
Claims processing unit costs	<sup>2</sup> \$ 0.82	\$ 0.64
Range		
High	\$1.50	\$1.22
Low	\$0.68	\$0.58

<sup>1</sup> Prior to FY 1998 the Claims Processing Unit Cost for Intermediaries included Inquires and Provider Education costs. <sup>2</sup> Medicare Integrity Program (MIP) costs include \$50 million from the Fraud and Abuse Enhancement Program.

NOTE: Data for fiscal year 1998. PM= Program Management

SOURCE: Health Care Financing Administration, Office of Financial Management.

**Table 52**  
**Medicare/claims received**

	Claims received
Intermediary claims received in thousands	150,260
	Percent of total
Inpatient hospital	8.9
Outpatient hospital	44.2
Home health agency	10.1
Skilled nursing facility	2.6
Other	34.2
Carrier claims received in thousands	697,515
	Percent of total
Assigned	97.3
Unassigned	2.7

NOTE: Data for calendar year 1998.

SOURCE: Health Care Financing Administration, Office of Financial Management.

**Table 53**  
**Medicare/charge reductions**

	Assigned	Unassigned
Claims approved		
Number in millions	575.8	15.2
Percent reduced	<sup>1</sup> 88.0	<sup>1</sup> 82.3
Total covered charges		
Amount in millions	\$106,947	\$1,382
Percent reduced	46.9	17.1
Amount reduced per claim	\$83.71	\$15.5

<sup>1</sup> Figure may be slightly overstated due to the possibility of a claim being counted more than once because more than one type of reduction is applied.

NOTES: Data for calendar year 1998. As a result of report changes effective April 1, 1992, charge reductions include: reasonable charge, medical necessity, and global fee/rebundling reductions.

SOURCE: Health Care Financing Administration, Office of Financial Management.

**Table 54**  
**Medicaid/administration**

	Fiscal year	
	1997	1998
	In thousands	
Total payments computable for Federal funding <sup>1</sup>	\$5,485,717	\$8,333,696
Federal share of current expenditures:		
Family planning	15,922	15,091
Design, development or installation of MMIS <sup>2</sup>	55,181	99,039
Skilled professional medical personnel	237,244	237,871
Operation of an approved MMIS <sup>2</sup>	593,684	668,716
Other financial participation	2,576,948	3,484,468
Mechanized systems not approved under MMIS <sup>2</sup>	65,298	70,047
Total administration	3,544,277	4,575,232
Net adjusted Federal share <sup>3</sup>	\$3,202,512	\$4,607,978

<sup>1</sup> Source: Form HCFA-64.10, Expenditures for State and Local Administration for the Medical Assistance Program (net expenditure reported). FY 1998 data are preliminary.

<sup>2</sup> Medicaid Management Information System.

<sup>3</sup> Includes Federal share of net expenditures reported plus HCFA adjustments.

SOURCE: Health Care Financing Administration. Center for Medicaid and State Operations and the Office of Financial Management.

## *Reference*

---

**Selected reference material including cost-sharing features of the Medicare program, program financing, and Medicaid Federal medical assistance percentages**

## Program financing

### Medicare/source of income

Hospital Insurance trust fund:

1. Payroll taxes\*
2. Transfers from railroad retirement account
3. General revenue for
  - a. uninsured persons
  - b. military wage credits
4. Premiums from voluntary enrollees
5. Interest on investments

*Contribution rate	<u>1997</u>	<u>1998</u>	<u>1999</u>
		Percent	
Employees and employers, each	1.45	1.45	1.45
Self-employed	2.90	2.90	2.90
Maximum taxable amount (CY 1999)			None <sup>1</sup>
<u>Voluntary HI Premium <sup>2</sup></u>			
Monthly Premium (1999):			\$309
Supplementary Medical Insurance trust fund:			
1. Premiums paid by or on behalf of enrollees			
2. General revenue			
3. Interest on investments			
<u>Part B Premium</u>			
Monthly Basic Premium (1999):			\$45.50

### Medicaid/financing

1. Federal contributions (ranging from 50 to 77 percent for fiscal year 1999)
2. State contributions (ranging from 23 to 50 percent for fiscal year 1999)

---

<sup>1</sup> The Omnibus Reconciliation Act of 1993 eliminated the Annual Maximum Taxable Earnings amounts for 1994 and later. For these years, the contribution rate is applied to all earnings in covered employment.

<sup>2</sup> Premium paid for voluntary participation of individuals aged 65 and over not otherwise entitled to hospital insurance and certain disabled individuals who have exhausted other entitlement. A reduced premium of \$170 is available to individuals aged 65 and over who are not otherwise entitled to hospital insurance but who have, or whose spouse has or had, at least 30 quarters of coverage under Title II of the Social Security Act.

SOURCE: Health Care Financing Administration, Office of the Actuary.

## Medicare deductible and coinsurance amounts

<b>Part A (effective date)</b>	<b>Amount</b>
Inpatient hospital deductible (1/1/99)	\$768/benefit period
Regular coinsurance days (1/1/99)	\$192/day for 61st thru 90th day
Lifetime reserve days (1/1/99)	\$384/day (60 nonrenewable days)
SNF coinsurance days (1/1/99)	\$96.00/day after 20th day
Blood deductible	first 3 pints/benefit period
Voluntary hospital insurance premium (1/1/99)	\$309/month \$170/month if have at least 30 quarters of coverage.

### **Limitations:**

Inpatient psychiatric hospital days	190 nonrenewable days
-------------------------------------	-----------------------

<b>Part B (effective date)</b>	<b>Amount</b>
Deductible (1/1/91) <sup>1</sup>	\$100 in reasonable charges/year
Blood deductible	first 3 pints/calendar year
Coinsurance <sup>1</sup>	20 percent of allowed charges
Premium (1/1/99)	\$45.50/month

### **Limitations:**

Outpatient treatment for mental illness	No limitations
Licensed physical therapist's services in home or office (1/1/91)	\$600 (80% of maximum annual program payment of \$750)

---

<sup>1</sup> The Part B deductible and coinsurance applies to most services. Items and/or services not subject to either the deductible or coinsurance are clinical diagnostic lab tests subject to a fee schedule, home health services, items and services furnished in connection to obtaining a second or third opinion, influenza vaccine and its administration, and pneumococcal vaccine and its administration. In addition, federally qualified health center services are not subject to the deductible but are subject to the coinsurance.

SOURCE: Health Care Financing Administration, Office of the Actuary.

**Geographical jurisdictions of HCFA regional offices and  
Federal medical assistance percentages (FMAP)  
fiscal year 2000**

<b>I. Boston</b>	<b>FMAP</b>	<b>II. New York</b>	<b>FMAP</b>
Connecticut	50	New Jersey	50
Maine	66	New York	50
Massachusetts	50	Puerto Rico	50
New Hampshire	50	Virgin Islands	50
Rhode Island	54	Canada	--
Vermont	62		
		<b>IV. Atlanta</b>	
<b>III. Philadelphia</b>		Alabama	70
Delaware	50	Florida	57
Dist. of Columbia	70	Georgia	60
Maryland	50	Kentucky	71
Pennsylvania	54	Mississippi	77
Virginia	52	North Carolina	62
West Virginia	75	South Carolina	70
		Tennessee	63
<b>V. Chicago</b>			
Illinois	50	<b>VI. Dallas</b>	
Indiana	62	Arkansas	73
Michigan	55	Louisiana	70
Minnesota	51	New Mexico	73
Ohio	59	Oklahoma	71
Wisconsin	59	Texas	61
<b>VII. Kansas City</b>		<b>VIII. Denver</b>	
Iowa	63	Colorado	50
Kansas	60	Montana	72
Missouri	61	North Dakota	70
Nebraska	61	South Dakota	69
		Utah	72
<b>IX. San Francisco</b>		Wyoming	64
Arizona	66		
California	52	<b>X. Seattle</b>	
Hawaii	51	Alaska	60
Nevada	50	Idaho	70
American Samoa	50	Oregon	60
Guam	50	Washington	52
N. Mariana Islands	50		

SOURCE: Health Care Financing Administration, Center for Medicaid and State Operations.